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**DEPARTMENT OF DEFENSE**

**GENERAL SERVICES ADMINISTRATION**

**NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

**48 CFR Part 8**

[FAC 2005-89; FAR Case 2016-008; Item III; Docket No. 2016-0008; Sequence No 1]

**RIN 9000-AN22**

**Federal Acquisition Regulation; FPI Blanket Waiver Threshold**

**AGENCIES:** Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

**ACTION:** Final rule.

**SUMMARY:** DoD, GSA, and NASA are issuing a final rule amending the Federal Acquisition Regulation (FAR) to increase the blanket waiver threshold for small dollar-value purchases from Federal Prison Industries (FPI) by Federal agencies.

**DATES:** Effective: [Insert date 30 days after date of publication in the FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** Ms. Mahruba Uddowla, Procurement Analyst, at (703) 605-2868, for clarification of content. For information pertaining to status or publication schedules, contact the Regulatory Secretariat Division at 202-501-4755. Please cite FAC 2005-89, FAR Case 2016-008.

**SUPPLEMENTARY INFORMATION:**

## **I. Background**

Federal Prison Industries, Inc. (FPI), also known by its trade name, UNICOR, is governed by a six-member Board of Directors. The members are appointed by the President and, by statute, represent industry, labor, retailers and consumers, agriculture, the Secretary of Defense, and the Attorney General. On March 3, 2016, FPI's Board of Directors adopted a resolution increasing the blanket waiver threshold for small dollar-value purchases from FPI by Federal agencies from \$3,000 to \$3,500. The increase coincides with the increase in the micro-purchase threshold. This final rule amends the FAR to reflect the threshold increase from \$3,000 to \$3,500. No waiver is required to buy from an alternative source below \$3,500. Customers may, however, still purchase from FPI at, or below, this threshold, if they so choose.

## **II. Publication of this final rule for public comment is not required by statute**

"Publication of proposed regulations," 41 U.S.C. 1707, is the statute that applies to the publication of the FAR. Paragraph (a)(1) of the statute requires that a procurement policy, regulation, procedure, or form (including an amendment or modification thereof) must be published for public comment if it relates to the expenditure of appropriated funds, and has either a significant effect

beyond the internal operating procedures of the agency issuing the policy, regulation, procedure, or form, or has a significant cost or administrative impact on contractors or offerors. This final rule is not required to be published for public comment, because it only updates the threshold, consistent with the inflationary adjustment to the micro-purchase threshold, in order to conform to the decision made by the FPI Board of Directors. Additionally, this final rule is expected to be of benefit to industry because it makes available certain procurements to which industry did not previously have access, i.e., listed items totaling \$3,000.01 to \$3,500.

### **III. Executive Orders 12866 and 13563**

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is not a significant regulatory action and, therefore, was not subject to review under Section 6(b) of E.O. 12866, Regulatory Planning and

Review, dated September 30, 1993. This final rule is not a major rule under 5 U.S.C. 804.

#### **IV. Regulatory Flexibility Act**

The Regulatory Flexibility Act does not apply to this rule because this final rule does not constitute a significant FAR revision within the meaning of FAR 1.501-1 and 41 U.S.C. 1707 does not require publication for public comment.

#### **V. Paperwork Reduction Act**

The final rule does not contain any information collection requirements that require the approval of the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. chapter 35).

#### **List of Subjects in 48 CFR Part 8**

Government procurement.

Dated: June 30, 2016.

William Clark,  
Director,  
Office of Government-wide  
Acquisition Policy,  
Office of Acquisition Policy,  
Office of Government-wide Policy.

Therefore, DoD, GSA, and NASA amend 48 CFR part 8 as set forth below:

**PART 8—REQUIRED SOURCES OF SUPPLIES AND SERVICE**

1. The authority citation for 48 CFR part 8 continues to read as follows:

**AUTHORITY:** 40 U.S.C. 121(c); 10 U.S.C. chapter 137; and 51 U.S.C. 20113.

**8.605 [Amended]**

2. Amend section 8.605 by removing from paragraph (e) “\$3,000” and adding “\$3,500” in its place.

**BILLING CODE 6820-EP**

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